

HONORABLE CHRISTOPHER M. ALSTON

HEARING DATE: WEDNESDAY, JUNE 1, 2016
HEARING TIME: 9:30 A.M.
LOCATION: SEATTLE, COURTROOM 7206
RESPONSE DATE: AT TIME OF HEARING

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON

In re

SKAGIT GARDENS, INC. *et al.*¹
3100 Old Highway 99 South
Mount Vernon, WA 98273
80-0161154,

Debtors.

Lead Case No. 16-12879

NOTICE OF HEARING ON
EMERGENCY MOTIONS FOR ORDERS
APPROVING:

(1) USE OF CASH COLLATERAL;
(2) CONTINUED USE OF CASH
MANAGEMENT SYSTEM AND
PREPETITION BANK ACCOUNTS;
(3) PAYMENT OF PREPETITION
PAYROLL, COMMISSIONS AND
EMPLOYEE BENEFITS; AND
(4) ADEQUATE ASSURANCE FOR
FUTURE UTILITY SERVICES

TO: THE CLERK OF THE COURT
AND TO: THE HONORABLE CHRISTOPHER M. ALSTON
AND TO: PARTIES-IN-INTEREST PURSUANT TO THE COURT'S ORDER
SHORTENING TIME AND LIMITING NOTICE AS TO HEARING ON
EMERGENCY MOTIONS

HEARING DATE: WEDNESDAY, JUNE 1, 2016
HEARING TIME: 9:30 A.M.

¹ The Debtors are Skagit Gardens, Inc., Skagit RESPE LLC, Skagit TPPSPE LLC, and Skagit Real Estate Holdings, LLC.

1 RESPONSE DUE: AT TIME OF HEARING
2 LOCATION: UNITED STATES BANKRUPTCY COURT, COURTROOM 7206, U.S.
COURTHOUSE, 700 STEWART STREET, SEATTLE, WA 98101

3 PLEASE TAKE NOTICE that Skagit Gardens, Inc., Skagit RESPE LLC, Skagit TPPSPE
4 LLC, and Skagit Real Estate Holdings, LLC (together "Debtors"), the above-captioned debtors-in-
possession, have sought relief under Chapter 11 of the United States Bankruptcy Code, and have filed
5 the following emergency motions (the "Emergency Motions") with the Court:

6 **A. Emergency Motions – Summary of Requested Relief**

7 **1. Cash Collateral Motion**

8 Emergency Motion For Interim Order (1) Authorizing Use Of Cash Collateral and
Granting of Adequate Protection Pursuant To Sections 361 And 363 of the Bankruptcy
9 Code; And (2) Setting Final Hearing

10 **Relief Requested:** The Debtors seek the Court's authority, on an interim basis, to use
cash collateral pursuant to the budget submitted with the motion, granting adequate
11 protection in favor of the asserted secured creditors on account of the Debtors' use of
cash collateral. The Debtors seek relief in the Cash Collateral Motion subject to final
12 approval following notice and hearing.

13 **2. Cash Management Motion**

14 Emergency Motion For Order Authorizing Debtor To Continue Use of its Existing
Cash Management System and Prepetition Bank Accounts and Checks.

15 **Relief Requested:** The Debtors seek the Court's authority to continue, on a
postpetition basis, in the ordinary course of business to use their existing cash
16 management system and prepetition business banking accounts and checks.

17 **3. Employee Wage Motion**

18 Emergency Motion For Authority To Pay Prepetition Payroll and Commissions,
Employee Benefits, And Related Expenses

19 **Relief Requested:** The Debtors seek the Court's authority (1) to pay prepetition
employee obligations, including wages, salaries, health benefits, reimbursable business
20 expenses, and other benefits which the Debtors pay to their employees in the ordinary
course of business, (2) to pay and/or remit payroll taxes, trust fund taxes, and other
21 wage deductions; and (3) to continue to honor prepetition employee programs, policies,
and practices. The Debtors also seeks authorization to allow their banks and other
22 financial institutions to process, honor, and pay checks or electronic transfers issued by
the Debtors in connection with the authorized employee obligations, programs, and
23 policies.

4. Utilities Motion

Emergency Motion For Order Approving Debtors' Proposed Adequate Assurance of Payment For Future Utility Services

Relief Requested: The Debtors seek the Court's approval of the Debtors' deposit of funds in a newly created segregated account as adequate assurance of payment as to all utilities entitled to such assurance of payment under 11 U.S.C. § 366.

B. Request to Set Future Hearing Date on the Bid Procedures Motion

At the hearing, the Court will consider the date on which to scheduling the hearing on the Debtors' to be filed Emergency Motion for Order Shortening Time for Hearing on Motion for Order (i) Scheduling Hearing to Approve Asset Purchase Agreement; (ii) Approving Form and Manner of Notice; (iii) Approving Break Up Fee; (iv) Approving Bidding Procedures; and (v) Approving Procedures for Assumption and Assignment of Executory Contracts (the "Bid Procedures Motion"). The Debtors anticipate filing the Bid Procedures Motion prior to the hearing on the Emergency Motions.

IF YOU OPPOSE the relief requested in any of the Emergency Motions, you must file your written response with the Court Clerk, serve two copies on the Judge's chambers, and deliver copies to the undersigned counsel NO LATER THAN THE RESPONSE DATE AND TIME, which is ON THE DATE AND AT THE TIME OF THE HEARING.

DATED this 27th day of May, 2016.

BUSH KORNFELD LLP

By /s/ Christine M. Tobin-Presser
Christine M. Tobin-Presser, WSBA #27628
Attorneys for Debtors-in-Possession